ECONOMIC SYSTEM IN ISLAM

Compared with

Capitalism and Socialism

By

Abdul Husain Muhammad

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IN THE NAME OF ALLAH,
THE MOST COMPASSIONATE,
THE MERCIFUL.

Praise belongs to Allah, the Lord of all. beings;
the Most Compassionate, the Merciful;
the Master of the Day of Judgment;
Thee only we serve, and to Thee alone we pray for succour;
Guide us in the straight path;
the path of those whom Thou hast blessed,
who are immune from Thy wrath
and have never gone astray.

O'Allah! send your blessings to the head of your messengers and the last of your prophets, Muhammad
and his pure and cleansed progeny.
Also send your blessings to all your prophets and envoys.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين الرحمن الرحيم
مالك يوم الدين إياك نعبد وإياك نستعين
اهدنا الصراط المستقيم صراط الذين
انعمت عليهم غير المغضوب عليهم
ولا الضالين

اللهم صل على
سيد رسلك وخاتم انبيائك
محمد وآله الطيبين الطاهرين
وصل على جميع الأنبياء والمرسلين

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Dear Reader

This leaflet is one of several Islamic publications that we distribute, as a contribution, among the people throughout the world.

You are requested to study the present publication with care and if you find it useful, please pass it on to your friend. You may requisition for further Islamic publications available with us. We assure you that the books requested by you will be mailed to you immediately.

Yours in Islam,

Publication Secretary,

P.O. Box No.1136-1545, Tehran, Iran.

FOREWORD

The urgent need of Islamic literature is felt throughout the world. Many young Muslims by birth, when asked which religion they adhere to their answer comes hesitatingly M-U--S-lims. Many others deny or hide their identity and claim to be progressive `atheists,' since it is the fashion now! It is needless to say that this shameful situation has resulted from ignorance. It is the dreadful ignorance about Islamic ideals, concepts, and philosophy. Anyone is shocked at comparing the magnificent role played by Muslims in history, and seeing today's Muslims. It is acknowledged that Muslims had performed remarkable achievements in every field such as, astronamy, algebra, geometry, chemistry, optics, and medicine........ The human and organisational fields received their full share also, where the form of government is formulated, wealth is evenly and justly

distributed, rights are protected.......

The topic of this booklet is the economic system in Islam. This might cause astonishment among Muslims who received Western style edu cation. They are taught that religion is a mere relation between God and man. They are told that religion has nothing to do with society, its welfare and organisation. This world is Caesar's Kingdom, while God's Kingdom is the next world. Islam firmly rejects these foreign ideas, and dictates that both worlds are belonging to God alone, and it is the Heavenly light which truly guides towards prosperity.

The Muslim Youth Association, which came into existence last year, is striving to perform the required Islamic duties. This series of booklets is a humble work, which we seek through it discharging the big responsibility resting on our shoulders. It is a small contribution towards the awakening of Muslims, and aid them in retaining their

identity in this wild struggle of ideologies. It is the right of Islam to be known, before being judged, whether by Muslims or non-Muslims.

This series of booklets will cover some popular Islamic topics, in a short and lucid style, in order to meet the need of young Muslims who want to know the basic Islamic concepts. The writers of these short surveys are young people, who understand very well present trends, and convinced that Muslim youth have been neglected and wronged. They feel that young Muslims were kept aloof from the sources of Islamic knowledge, either by their fathers' ignorance or by receiving distorted information from non-Islamic sources. We sincerely believe that if the Muslim youth have the opportunity to have a glimpse of the realities of Islam, they would stick to it, and never part from it, as was the case with us.

May God accept our work for His sake, and

let it be a good reward in the next world.

Muslim Youth Association

In the Name of Allah, the Most Beneficent,
the Merciful

INTRODUCTION

The following points should be considered as a prelude to our discussion.

1. It is of utmost importance to differentiate between two concepts, namely, the economic system and economic science. The former, that is the economic system, deals with the best ways dictated by an ideology, to provide and safeguard national welfare and justice among people; while the latter, that is economic science, is concerned with natural laws which govern economic ope-

rations and transactions, independent of justice. For instance, take the laws of "supply and demand." It is observed that when demand on particular goods is increased, its price will increase accordingly. Then the rise in the price will effect the demand which contributes to the price decrease. This is a well known law in the science of economics which can be applied or observed in any economic operation, irrespective of the economic system prevailing in the society. But if we took the concept of possession, we find that Capitalism is centred about private ownership: Socialism proclaims collective ownership; while Islam neatly balances the interests of individuals and society. Islam has its unique and independent system which shall be dealt with in time.

The main purpose of this article is to compare the existing economic systems as it is defined by the title. The comparison is based on doctrinal grounds. The following systems shall be examined in sequence:

a. The Democratic Capitalist System.
b. The Democratic Socialist System.
c. The Communist System.
d. The Islamic System.

The Democratic Capitalist system is followed by countries like America, England, France....... It is needless to say that the evils of this system has made its advocates retreat from many of its values, ideals and laws. It is not astonishing to hear cries of socialist measures, such as national health service, free education etc. It is then not surprising at all to find France and England claiming to be Socialist countries! The Democratic values in these countries have been challenged to whether they actually achieve social justice, and reflect the society's opinion as a whole. It actually fails the test of securing true representation of all people and protect their interests without some sector being victimised.

The Democratic Socialist system prevails in

China, Russia, Yugoslavia........ This system allows, but limits the possession of people, and the government assumes the ownership and administration of the bulk of the country's wealth and industries. In other words, individuals will not be allowed to have more than they barely need, while the government manages, develops, secures, and maintains every aspect in the society. This is obviously not healthy, because it will deny people the initiative, responsibility and the imaginative power, and self interest. Indeed, Russia and other Socialist countries wondered at first about the impracticability of their ideas, and thought the reason to be the precipitates of Capitalism. But when fifty years have lapsed and their dilema has not changed, they implicitly realised the wrong concepts assumed. Hence they introduced remarkable changes and alterations in the system to the extent that China accuses Russia to be deviating to the capitalist line.

The Communist system has no existence, and no practical experience up to now. In other words,

it is theoretical and has never been realised in practice. It should be noted carefully that the Communist system assumes in man idealistic motives. This means that Communism demands biological and psychological transformations and changes in the human being! The simplest thing to say in order to discard the Communist theory is that it contradicts with human nature and instincts. This is scientifically proved and materially beyond doubt, because this theory deviates from experiment and observations. The Islamic system is the last one to be examined in this short review. Although the Islamic system has no existence now, but it has passed the experience of application. It is a practical system unlike Communism. It was very successful in raising the primitive Arabian nation of the sixth century to the greatly civilised nation of the 12th century. The boundaries of the Islamic Empire, then, were stretching between China in the east, and the Atlantic Ocean in the West. It was the deviation from Islam which caused the failure of the Islamic Empire. It was in 1918

when for the first time in the Islamic world, that the Quranic law was replaced by Western law.

2. Here it is advantageous to pass quickly over the recent Islamic revivals, and its development in order to have a proper grasp of the understanding and mentality of today's Muslims.

The Qur'an is not considered as a scientific text to provide a systematic description of the economic system in Islam. The modern Islamic Movement started at the beginning of the present century and did not take the shape of formal organisations till the fourth decade.

Muslim thinkers pursued the traditional manner of Islamic legislation which depends on the following sources:-

(a). **Qur'an** - which is God's revelation to the Prophet (peace be upon him and his family).

(b). **Tradition** - which is the sayings of the

Prophet (peace be upon him and his family).

(c). **Ijma`-** this comes when there is no specific mention in Qur'an or Tradition about a particular case. It specially refers to concepts which have been accepted throughout the Islamic history as Islamic concepts.

(d). **Human reasoning** or **logic** - this again comes when there is no specific mention in Qur'an, and Tradition.

Hence it is revelant for Muslim thinkers to seek solutions for the various problems of life, in the Qur'an. If there was no clear cut solution, then the true sayings of the Prophet (p.b.u.h. a.h.f.) are reviewed to get more satisfaction. If that was not enough, then Ijmd ` and Logic are used as a final resort.

This particular topic is the field of specialists who possess sound knowledge of Islam.

It is pointless to say that the following analysis is only quotation of Modern Muslim thinkers, and ideological leaders, and cannot be regarded as my own analysis or reasoning.

3. It is important to note that the Islamic principle is a complete set of concepts and laws which cannot be divided into small pieces or parts separately. It is essential to deal with Islam as a whole, otherwise, the fruits would not have the Islamic flavour and taste. In other words, it is not possible to take some Islamic laws while rejecting others.

A principle is defined politically as a doctrine which gives rise to a system of life. The doctrine is the philosophy which defines the universe and man, the origin of universe, the nature of the laws governing the universe, the destination of man, etc. The system is a natural organisational form of the doctrinal view of what the society should be like, and its dealings within its sphere and

outside relations.

The word Islam means submission. Islam considers man as a part of nature which is destined to obey certain rules. The natural laws have been created by an ultimate cause called God (The Arabic word is Allah). Islam views nature as Muslim. The movement of electrons around the nucleus is an obedience to a godly law, and in this sense, the election is a Muslim.

Human being is distinguished from other parts of nature by his consciousness and power of thinking. His status has two kinds of laws. The first kind covers the instinctive, materialistic, and psychological activities, which are independent of his will, such as the beating of heart, or the curiosity instinct, etc. The second kind covers those activities which are based on man's free will. God offered man the best norms for his behaviour. That was delivered through Prophets by revelation. Prophets are looked at from the Islamic angle as extremely good people who are worthy

of being God's messengers to humanity. There were thousands of them throughout the history on this planet. But five of them were the greatest, because they came with complete code of life. They **were namely, Noah, Abraham, Moses, Jesus,** and lastly **Muhammad.** We are ordered by the Creator through His Prophets to be in harmony with the natural laws which covers all fields of human life.

أَفَغَيْرَ اللَّهِ أَبْتَغِي حَكَمًا وَهُوَ الَّذِي أَنزَلَ إِلَيْكُمُ
الْكِتَابَ مُفَصَّلًا وَالَّذِينَ آتَيْنَاهُمُ الْكِتَابَ يَعْلَمُونَ
أَنَّهُ مُنَزَّلٌ مِّن رَّبِّكَ بِالْحَقِّ فَلَا تَكُونَنَّ مِنَ الْمُمْتَرِينَ
(الأنعام ، آية ١١٤)

"Shall I seek for judge other than God when it is He who hath sent down unto you the Book, explained in detail? They know full well to whom we have given the Book, that it hath been sent down from thy Lord in truth. Never be then of those who doubt". (Qur'an, 6:114)

وَأَنِ احْكُمْ بَيْنَهُمْ بِمَا أَنْزَلَ اللّٰهُ وَلَا تَتَّبِعْ أَهْوَاءَهُمْ
وَاحْذَرْهُمْ أَنْ يَفْتِنُوكَ عَنْ بَعْضِ مَا أَنْزَلَ اللّٰهُ إِلَيْكَ
فَإِنْ تَوَلَّوْا فَاعْلَمْ أَنَّمَا يُرِيدُ اللّٰهُ أَنْ يُصِيبَهُمْ بِبَعْضِ
ذُنُوبِهِمْ وَإِنَّ كَثِيرًا مِنَ النَّاسِ لَفَاسِقُونَ .
(الْمَائِدَة، آية۴۹)

"And this (He Commands): Judge then between them by what God hath revealed, and follow not their vain desires, but beware of them lest they beguile thou from any of that (Teaching) which God hath sent down to thee. And if they turned away, be sure that for some of their crimes it is God's purpose to punish them. And truly most men are rebellious?" (Qur'an, 5:49)

After finishing from these notes, it is time to discuss the economic systems in detail. The Islamic economic system is based on the following three foundations:-

1. THE TRIPLE NATURE OF POSSESSION:

Capitalism views private possession as a basic need which voluntarily fulfils the community's desires and requirements rather than being in conflict with it. Capitalists consider Nationalisation as exceptional cases of remedies for temporary crisis of the Nationalised economy. It argued that nationalised sectors of economy can be de-nationalised after that crisis has disappeared.

Socialism, on the other hand, claim collective ownership as the fundamental concept in its economic system. Private capitals must be natio nalised according to Socialism. But the Socialists were confronted in the field of application with difficulties and were forced to recognise private possession. That attitude was a temporary cure for their economic problems. It is argued that when the difficulties have gone, then the private sectors are re-nationalised again.

Islam recognises three kinds of possessions:-

(a). Private Possession

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ
بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ
(النساء ، آية ٢٩)

"O ye who believe! Eat not your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good will." (Qur'an, 4:29)

وَإِنْ تُبْتُمْ فَلَكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ
(البقرة، آية ٢٧٩)

"But if ye turn back, ye shall have your capital sums: deal not unjustly and ye shall not be dealt with unjustly?" (Qur'an, 2:279)

The Prophet (p.b.u.h.a.h.f.) said: "The possession of a Muslim is illegal to his brother except which he willingly offers to him."

(b). Collective Possession

This field covers the national wealth which belongs to all people of the Islamic State, irrespective of their financial status. The bulk of the wealth is expended and utilised in building schools, hospitals, etc. The sources or incomes of this sector of economy are specific and noted. For example, the so-called (Kharaj land) is one source which is a land naturally productive. Prophet Muhammad (p.b.u.h.a.h.f.) said: "People are to share three .things, fire, water, and grass." All Muslim thinkers throughout the Islamic history accepted the generalisation of this statement to include all natural resources to be under collective ownership. There are many other examples of income to the collective possession, which can be consulted in the Islamic legislation books.

(c). State's Possession

State's possession differs from other kinds of possession not only in the sources of income but

in utilisation and fields of expenditure also. There are specific sources of income to this economic sector, like the so-called (Dead land). The evidence of this in the Qur'an is the following verse:

يَسْئَلُونَكَ عَنِ الْأَنْفَالِ قُلِ الْأَنْفَالُ لِلّٰهِ وَالرَّسُولِ
(الْأَنْفَال ، آية ١)

"They ask you concerning "Anfal" (accessions) say "Anfal" is at the disposal of God and the Apostle. " (Qur'an, 8:1) The Prophet is mentioned here as a representative of the Islamic Government. The ways in which this wealth is used are many. One of the basic channels is helping poor people to work, by offering small capital or building a factory for their employment.

2. FREEDOM OF PRIVATE ENTERPRISE AND ITS LIMITS:

Capitalism permits individuals to manipulate their wealth in all ways and means, regardless of their possible consequences on the society. It is believed that the society's interests are served by

the individual's motives and enterprise. Hence, there is no conflict economically between private and society interests as it is viewed by Capitalism. For example, a bus company is providing social service, but it is private enterprise. Other public services, like education, railways, roads, etc., used to be considered as private enterprises, which furnish social services.

Socialism denies individuals economic freedom. The State or Government steps in, plan and administer the bulk of the country's economy with no regard to people's incentives.

Islam recognises people's freedom and right of possession, but defines its boundaries and limits. The boundaries are located by the following items:

(a) Indirect influence of the Islamic education:

It should be taken for granted that one of the

main tasks of the Islamic State is education; education which carries the Islamic image and spirit. It is important to note that no menas of propagation and education will be spared, when the Islamic State re-emerges again. This is a natural measure since education moulds people's thoughts, sentiments, and their general attitudes towards life. Then, when the Islamic moral code is prevailing in the society the fear of violating the laws will be considerably less. This is a logical conclusion for there will be, in every person, an inner motive for safe-guarding the law. Hence the danger of capital inflation and monoply are considerably reduced when Islamic laws are applied.

(b) Direct Interference of the State:

Islamic State can intervene on two levels.

(i) Protection of the permanent fundamental Islamic legislations. This field includes the following sectors:

1. Taking the permanent tax *(Zakat)* which ranges between 2.5-10% of the stored possession (which is not essential for one's living), in every year.

خُذْ مِنْ اَمْوالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَ تُزَكّيهِمْ بِها
وَصَلِّ عَلَيْهِمْ اِنَّ صَلٰوتَكَ سَكَنٌ لَهُمْ وَاللّٰهُ سَميعٌ
عَليمٌ.

(التَّوبة، آية ١٠٣)

"Of their goods take alms, that so thou mightest purify and sanctify them; and pray on their behalf. Verily thy prayer is a source of security for them: and God is One heareth and knoweth." (Qur'an, 9:103)

Khums is another revenue of taxation. It is one fifth of the annual excess of one's profit to be taken by the Islamic Government.

وَاعْلَمُوا اَنَّما غَنِمْتُمْ مِنْ شَيْءٍ فَاَنَّ لِلّٰهِ خُمُسَهُ
وَلِلرَّسُولِ وَلِذِي الْقُرْبىٰ وَالْيَتامىٰ وَ الْمَساكينِ
وَ ابْنِ السَّبيلِ. (الأَنفال، آية ٤١)

"And know that out of all the booty that ye may acquire (in war) a fifth share is assigned to God, and the Apostle, and to near relatives, orphans, the needy, and the wayfarer. " (Qur'an, 8:41)

2. To prevent capital interest or usury.

اَلَّذينَ يَأكُلُونَ الرِّبوٰا لاٰ يَقُومُونَ اِلاّٰ كَما يَقُومُ
الَّذي يَتَخَبَّطُهُ الشَّيْطانُ مِنَ الْمَسِّ ذٰلِكَ بِاَنَّهُمْ
قَالُوٰا اِنَّما الْبَيْعُ مِثْلُ الرِّبوٰا وَ اَحَلَّ اللّٰهُ الْبَيْعَ
وَ حَرَّمَ الرِّبوٰا فَمَنْ جاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ
فَانْتَهٰى فَلَهُ ما سَلَفَ وَاَمْرُهُ اِلَى اللّٰهِ وَ مَنْ
عٰادَ فَاُولٰئِكَ اَصْحٰابُ النّٰارِ هُمْ فيهٰا خٰالِدُونَ
(اَلْبَقَرَة، آية ٢٧٥)

"Those who devour usury will not stand except as stands one whom the Evil One by his touch has driven to madness. That is because they say: "Trade is like usury, "but God hath permitted trade and forbidden usury. Those who after rece-

iving direction from their Lord, shall be pardoned for the past; their case is for God (to judge): but those who repeat (the offence) are companions of the Fire: they will abide therein (for ever). " (Qur'an, 2:275)

يَٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُوا ٱتَّقُوا ٱللَّهَ وَذَرُوا مَا بَقِىَ
مِنَ ٱلرِّبَوٰٓا إِن كُنتُم مُّؤْمِنِينَ فَإِن لَّمْ تَفْعَلُوا
فَأْذَنُوا بِحَرْبٍ مِّنَ ٱللَّهِ وَرَسُولِهِۦ وَإِن تُبْتُمْ فَلَكُمْ
رُءُوسُ أَمْوَٰلِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ .
(ٱلْبَقَرَة، آية ٢٧٨، ٢٧٩)

"O ye who believe fear God, and give up what remains of your demand for usury, if ye are indeed believers. If ye do it not, take notice of war from God and His Apostle: but if ye turn back, ye shall have your Capital sums: deal not unjustly, and ye shall not be dealt with unjustly. " (Qur'an, 2:278-9)

3. Seizing lands and national resources which

are not under exploitation by their owners. There is a well-known Islamic rule in this respect: "Land is for whoever cultivates it."[1]

4. Preventing accumulation and storage of money which is not utilised in the national production.

وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يُنفِقُونَهَا
فِي سَبِيلِ اللَّهِ فَبَشِّرْهُم بِعَذَابٍ أَلِيمٍ
(اَلتَّوبَة، آية ٣٤)

"And there are those who bury gold and silver and spend it not in the way of God: announce unto them a most grievous penalty."[2] (Qur'in, 9:34)

5. Protecting the hereditary laws which help

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1. See "Eqtesaduna" Page 425 onwards, by Sayed Muhammad Baqir Al-Sadr.
2. Ibid p.579 onwards.

in distributing the person's wealth among his relatives, which is a big action against capital inflation.

يُوصِيكُمُ اللَّهُ فِي أَوْلَادِكُمْ لِلذَّكَرِ مِثْلُ حَظِّ
الْأُنْثَيَيْنِ فَإِنْ كُنَّ نِسَاءً فَوْقَ اثْنَتَيْنِ فَلَهُنَّ ثُلُثَا
مَا تَرَكَ وَإِنْ كَانَتْ وَاحِدَةً فَلَهَا النِّصْفُ وَلِأَبَوَيْهِ
لِكُلِّ وَاحِدٍ مِنْهُمَا السُّدُسُ مِمَّا تَرَكَ إِنْ كَانَ لَهُ
وَلَدٌ فَإِنْ لَمْ يَكُنْ لَهُ وَلَدٌ وَوَرِثَهُ أَبَوَاهُ فَلِأُمِّهِ الثُّلُثُ
فَإِنْ كَانَ لَهُ إِخْوَةٌ فَلِأُمِّهِ السُّدُسُ مِنْ بَعْدِ وَصِيَّةٍ
يُوصِي بِهَا أَوْ دَيْنٍ آبَاؤُكُمْ وَأَبْنَاؤُكُمْ لَا تَدْرُونَ
أَيُّهُمْ أَقْرَبُ لَكُمْ نَفْعًا فَرِيضَةً مِنَ اللَّهِ إِنَّ اللَّهَ
كَانَ عَلِيمًا حَكِيمًا وَلَكُمْ نِصْفُ مَا تَرَكَ أَزْوَاجُكُمْ إِنْ
لَمْ يَكُنْ لَهُنَّ وَلَدٌ فَإِنْ كَانَ لَهُنَّ وَلَدٌ فَلَكُمُ
الرُّبُعُ مِنْ مَا تَرَكْنَ مِنْ بَعْدِ وَصِيَّةٍ يُوصِينَ بِهَا
أَوْ دَيْنٍ وَلَهُنَّ الرُّبُعُ مِمَّا تَرَكْتُمْ إِنْ لَمْ يَكُنْ لَكُمْ
وَلَدٌ فَإِنْ كَانَ لَكُمْ وَلَدٌ فَلَهُنَّ الثُّمُنُ مِمَّا تَرَكْتُمْ

مِنْ بَعْدِ وَصِيَّةٍ تُوصُونَ بِهَا أَوْ دَيْنٍ وَإِنْ كَانَ
رَجُلٌ يُورَثُ كَلَالَةً أَوِ امْرَأَةٌ وَلَهُ أَخٌ أَوْ أُخْتٌ فَلِكُلِّ
وَاحِدٍ مِنْهُمَا السُّدُسُ فَإِنْ كَانُوا أَكْثَرَ مِنْ ذٰلِكَ
فَهُمْ شُرَكَاءُ فِي الثُّلُثِ مِنْ بَعْدِ وَصِيَّةٍ يُوصَى بِهَا
أَوْ دَيْنٍ غَيْرَ مُضَارٍّ وَصِيَّةً مِنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَلِيمٌ.
(النَّسَاءَ آية ١١، ١٢)

"Allah enjoins you concerning your children: the male shall have the equal of the portion of two females; then if they are more than two females, they shall have two-thirds of what the deceased has left, and if there is one, she shall have the half; and as for his parents, each of them shall have the sixth of what he has left if he has a child, but if he has no child and (only) his two parents inherit him, then his mother shall have the third; but if he has brothers, then his mother shall have the sixth after (the payment oft a bequest he may have beque-

thed or a debt; your parents and your children you know not which of them is the nearer to you in usefulness; this is an ordinance from Allah: Surely Allah is Knowing, Wise.

"And you shall have half of what your wives leave if they have no child, but if they have a child, then you shall have a fourth of what they leave after (payment of) any bequest they may have bequeathed or a debt; and they shall have the fourth of what you leave if you have no child, but if you have a child then they shall have the eighth of what you leave after (payment of) a bequest you may have bequeathed or a debt; and if a man or a woman leaves property to be inherited by neither parents nor offspring, and he (or she) has a brother or a sister, then each of them two shall have the sixth, but if they are more than that, they shall be sharers in the third after (payment of) any bequest that may have been bequeathed or a debt that does not harm (others); this is an ordinance from Allah: and Allah is Knowing, Forbearing": (Qur'an, 4:11-12)

6. Preventing wastage of national wealth by luxuries.

وَإِذَا أَرَدْنَا أَنْ نُهْلِكَ قَرْيَةً أَمَرْنَا مُتْرَفِيهَا فَفَسَقُوا
فِيهَا فَحَقَّ عَلَيْهَا الْقَوْلُ فَدَمَّرْنَاهَا تَدْمِيرًا .
(الاسراء آية ١٦)

"And when We intend to destroy a town, We (first) send Our commandment to the people of it who lead easy lives, but they transgress there in; thus the word proves true against it, so We destroy it with utter destruction." (Qur'an, 17:16)

وَآتِ ذَا الْقُرْبَىٰ حَقَّهُ وَالْمِسْكِينَ وَابْنَ السَّبِيلِ
وَلَا تُبَذِّرْ تَبْذِيرًا إِنَّ الْمُبَذِّرِينَ كَانُوا إِخْوَانَ
الشَّيَاطِينِ وَكَانَ الشَّيْطَانُ لِرَبِّهِ كَفُورًا .
(الاسراء ، آية ٢٦، ٢٧)

"And give to the near of kin his due and to the needy and the wayfarer, and squander not (thy wealth) wastefully. Verily the squanderers are the brethren of the satans; and Satan is ever an

ingrate to his Lord." (Qur'an, 17:26-27)

7. Administering and utilising the national production by using the collective possession field.

8. To prevent gambling, cheating, monoply, etc.

يَـٰٓأَيُّهَا الَّذِينَ آمَنُوا إِنَّمَا الْخَمْرُ وَ الْمَيْسِرُ
وَالْأَنْصَابُ وَالْأَزْلَامُ رِجْسٌ مِنْ عَمَلِ الشَّيْطَانِ
فَاجْتَنِبُوهُ لَعَلَّكُمْ تُفْلِحُونَ .
(الْمائدة آية ٩٠)

"O ye who believe! Intoxicants and gambling (dedication of) *stones, and arrows, are an abomination, of Satan's handiwork: eschew such (abomination), that ye may prosper.*"(Qur'an, 5:90)

The Prophet (p.b.u.h.a.h.f.) said: "No one indulges in monoply but a sinful."

Imam `Ali (peace be on him) wrote in his

letter to Malik al-Ashtar (governor of Egypt at the time): "Prohibit monoply for the Messenger of God had forbidden it. Therefore, if anyone who indulges in monoply after being warned, should be punished and penalised with no excess."

The Prophet (p.b.u.h.a.h.f.) said: "He who cheats us is not one of us."

(ii) There is a special right for the Islamic Government to nationalise or seize part of the possessions of affluent people. This right is practised during national crisis such as wars, etc.

In Imam `Ali's letter to Malik al-Ashtar, were orders which fixed prices. He wrote: "Let selling be with just balances, and prices should cause no unjustice for the seller or the buyer." Tirmidhi narrated, his source was, Rafi` bin Khadij, that a letter read: (The Messenger of God has forbidden us from something which was useful to us; when one of us had a piece of land we used to rent it

for some of its products or money. The Prophet (p.b.u.h.a.h.f.) said: "If any of you has a land, let him offer it to his brother (in Islam) or he should cultivate it").

Ibn Taymiyyah wrote in his book *al-Hisbah'*; "The head of State has the right to force people to sell what they possess, in return of its equivalence at the time, when people are in desperate need of it. When somebody has food which he does not need, while people are starving, he should be forced to sell in return of its equivalent price, and for this reason jurists said: `Those who are in need of food which is possessed by others, can obtain the food without consent of their owners provided the equivalent value is paid. In the case of demanding a higher price than the normal one, their claim does not hold' "

3. SOCIAL JUSTICE:

There are two means for achieving social

justice in Islam:

(a). Islamic Social Insurance:

This is partly the duty of all Muslims in the Islamic State. For they are responsible for their brothers and sisters in Islam. The Prophet (p.b.u. h.a.h.f.) said: "He who sleeps the night not caring about Muslims welfare is not one of us". He also said: "He is not one of us, who sleeps the night while his neighbour is hungry." It is clear then that if the State's possession is not enough to satisfy the necessary needs of the poor people, it has the right to pass laws on rich people in order to help the poor.

The State's duty is not providing the essential requirements of her citizens only. This is the minimum which should be given, but the State ought to endeavour for higher standard of living, whose degree is decided by the economic progress of the Muslim community.

Imam Musa ibn Ja'far (al-Kazim) said: "The Muslim governor should distribute the national wealth according to the directions made by God. It should be divided into eight shares, for the poor and the needy. He should distribute it among them so that they will be satisfied during the year without hardship or concealing their need. If something is left it should be returned to the governor, but if it was not enough so that they are not yet content, the Governor ought to supply them from the reserves according to their need till they become satisfied."

(b). Islamic Social Balance:

The Islamic State strives to limit and lessen material differences among Muslims. Although it recognises natural differences among people due to environment, education, and personal gifts, etc. On the other hand, Capitalism approves and contributes to widen the gap between two extreme classes in the society. One class have all the

wealth, while the other is empty handed.

Socialism denies any natural difference among people and forces its "concept of equality" on the society.

وَهُوَ الَّذِي جَعَلَكُمْ خَلَائِفَ الْأَرْضِ وَرَفَعَ بَعْضَكُمْ
فَوْقَ بَعْضٍ دَرَجَاتٍ لِيَبْلُوَكُمْ فِي مَا آتَاكُمْ إِنَّ
رَبَّكَ سَرِيعُ الْعِقَابِ وَإِنَّهُ لَغَفُورٌ رَحِيمٌ .
(الْأَنْعَام ، آية ١٦٥)

"And it is He who made you (His) vicegerent in the earth and raised some of you above others in grades, that He may try you in what He gave you; Verily your Lord is quick in the requital (of evil) and He is most surely the Forgiving, the Merciful". (Qur'an, 6:165)

The ways of conceiving social balance are two:

(1) The Islamic State provides equal opportunities for all members of the society to work, develop and utilise their powers.

(2) The Islamic State endeavours to lift up the standard of the poor, on one hand, while it closes the revenues and causes of capital inflation, on the other. This action would limit and gradually converge the gap between the poor and rich people, which prevent any class-consciousness. There are many examples by which the Islamic State secures social balance in the society. It has been already mentioned that a large sum of the national economy is taken under collective and State ownership.

ECONOMIC PROBLEMS

It is considered by Capitalism, that the cause of economic problems is the scarcity of natural resources. As time goes by, claims Capitalism, "man's needs will increase, and since the natural

resources are limited; then it is clear tliat nature will be unable to supply mankind with his needs".

Socialism has a different view. It claims that the economic problems arise from the theft which the Capitalists make out of the workers' efforts. Work, Socialism claims, creates the value of goods, therefore, the goods must be possessed by the workers. Profits are taken by Capitalists, that is a contradiction which has lead to the economic problem. Islam differs from both by considering the reason of the economic problems to be man himself. This attitude is given by the Qur'anic verse.

وَسَخَّرَ لَكُمُ الشَّمْسَ وَالْقَمَرَ دآئِبَيْنِ وَسَخَّرَ لَكُمُ
الَّيْلَ وَالنَّهَارَ وَاٰتٰيكُمْ مِنْ كُلِّ مَا سَأَلْتُمُوهُ وَاِنْ
تَعُدُّوا نِعْمَتَ اللّٰهِ لَا تُحْصُوهَا اِنَّ الْاِنْسَانَ
لَظَلُومٌ كَفَّارٌ (اِبْراهيم ، آية ٣٣ ، ٣٤)

"And He has made subject to you the sun and

the moon, both diligently pursuing their courses, and the Night and the Day has He (also) made subject to you. And He gives you of all that you ask for; and if you count the favours of God, you will not be able to number them; Verily man is very unjust, very ungrateful". (Qur'an, 14:33-34)

Hence we can conclude the following:

1. There exists, sometimes, unjust people who do not comply with the principles of social justice which creates differences between classes.

2. Man is liable to be (kafir) for it seems that man always tend to try the easy path. It is man who does not work to utilise the natural resources. Islam considers that the root of the problem are in man, if man is cured, then there is no more problems.

Now we should discuss the Capital interest, and its bearings on the society. Capitalism views

profits of production as to be shared by all the contributing factors of production (that is natural resources, Capital, management, labour and machines), in the form of (rents, interests, wages, etc.). They are all governed by the laws of supply and demand.

Socialism forwards the following rule:

"From each according to his ability, to each according to his effort."

Socialism believes that work creates the value of goods, and hence workers must possess their work.

In Islam, the following rule is applied: "Work is the excuse for possession, but it does not alone create the value of goods."

Means of Possession in Islam:

1. The basic concept that possession cannot be achieved without work.

2. Work is not the only contributor to the value of goods, because goods have an intrinsic value. Hence the phenomena of persistence of possession appears. Workers are to own their work. For instance, mines should be owned by the workers, and not by the Capitalists. Natural resources are not possessed by any person. But anyone who provides the raw materials is considered as the owner of it after production, according to the second half of the rule (that is the phenomena of persistence of possession). This point is very important in distinguishing the Islamic Economic system from Capitalism and Communism.

A final note:

The Economic System in Islam is part of a complete set of codes for the whole life. With this view kept in mind always, we should examine

and analysis. It is not possible to isolate the Economic system from other parts of Islam because they are interconnected. For example, (Zakat) is viewed as purifying act, beside its economic value and importance. It is the spiritual attitude which the Muslim reflects in life and the great care for morality.

Islam does not believe in radical changes of the relations of production as a result of changes in the nature of production, as Socialism claims. Islam starts from man and not from production. The needs of man are of two kinds, one is basic, while the other is changing with time. There must be a permanent set of standards to ensure the satisfaction of the first kind of needs. Also there must be a changing set of standards which adapts the progress in the means of production.

Islam has a very important advantage which other principles do not have. Islam binds man to God. It makes him think of God's satisfaction,

reward, and punishment too. Islam starts from the depths of the human conscience, and proceeds in its endeavours to secure a happy life for all.

THE END